

Statement of James R. Gilson, Vice President and General Counsel, Los Angeles County Museum of Natural History
Foundation

California Science Center Board of Directors Public Hearing on Proposed Term Sheet between the State of California
and USC concerning approval of USC- Coliseum Agreements -- May 30, 2013

Thank you for the opportunity to speak tonight. I am James Gilson, Vice President and General Counsel of the Los Angeles County Museum of Natural History Foundation, the non-profit support organization for the County Museum of Natural History. I cannot speak for the County, but as you know I have been actively involved in discussions about the park and our museum for many years.

First, I want to express our appreciation for the efforts of your Board, and particularly your committee of Renata Simril and Irene Romero, to seek input from stakeholders in and around Exposition Park and to make the State's decision-making process more open for all of us who also have a vital interest in the fair balancing of various public interests in and around the park. We are confident that the process will be better understood and accepted as a result of these efforts.

By way of background, the Natural History Museum is celebrating its 100th anniversary in the park – we are proud that we were the first public institution here. We are also proud that as we look forward to the next century of service, we are literally within days of completing a six-year transformation that results from a new investment of \$135 million dollars – approximately twice as much as is anticipated to be invested in the future improvement of the Coliseum.

Of course the success, not the mere survival of each park institution is necessary. For that reason, we are pleased that there is hope for improvement of the Coliseum and Sports Arena over the long term. At the same time, I want to focus on one aspect of the Term Sheet that needs attention to assure that on-going success for all of us: the cap on the number of major events in the Coliseum and the Sports Arena.

It is exciting and fun when there are large events at the Coliseum: the park is full, often with people who would not come here for any other reason. At the same time, all of us who have experienced those days know that they place a very intensive burden on other park visitors who want to patronize our museums and other venues. Attendance declines and those who do come find their experience diminished – and they remember.

Therefore, we all have worked to strike a balance that can allow for the Coliseum to thrive without having so many large events that people wanting to come to the museum, the Science Center, CAAM, the Expo Center or the park simply give up – or don't come back -- because on too many days it is just a hassle to come here. If and when this happens, it is not just the Coliseum major event days that are affected. If visitors increasingly feel that Exposition Park is a place avoid on many days, then they (and those they talk to) won't come any time -- they simply will decide to go to the zoo, the beach, other museums or parks instead of trying to navigate whether today is one of the limited number of "good" days to come to the park or might be one of the too-frequent "hassle" days.

No one knows where that tipping point is; at the same time, no one wants to find out the hard way that it has been reached. Therefore, as we all have recognized, a meaningful cap on major events is essential. In fact, for the past

seven years the State has been legally required to impose an annual cap of 25 major events at the Coliseum and Sports Arena, with very limited exceptions. The 2006 County – State agreement, of which the event cap was a carefully-negotiated and essential component, was what enabled our museum to make the huge and transformative investment I mentioned.

And my understanding is that the 25-event limit was not a randomly-selected number, but rather was based on a broad consensus that the most impact the museum and the park could stand and still have a shot at success occurred when all of USC, UCLA, the Raiders and the Rams played in the Coliseum and there were a few other large Coliseum events each year – for a total of about 25 major events each year. No one I know thinks that tomorrow's Exposition Park – with all the added investment, attendance, and enjoyment potential -- should bear the impact of many more major event-days than was experienced during those years. That was the premise of the State's obligation.

Last year, the Coliseum and USC proposed a major event cap that had more exceptions than the State is obligated to require. My reading, as confirmed by those involved in the development of that proposal, is that the extra exceptions to the cap mean that if the NFL plays in the Coliseum for temporary periods of up to 4 years, in addition to the 25 major events and in addition to exceptions for the Olympics, Special Olympics and Super Bowl, 8 yet additional Coliseum Commission-selected major events could be held, resulting in a temporary total of 33 events, but only during NFL years. We, of course, would prefer the cap that the State agreed to impose on the Coliseum, which in itself would mean that each year days on half of the weekends (our busiest times) could be taken up with Coliseum major events. The erosion of that cap, as is proposed in the USC – Coliseum lease, would be a significant further challenge for our museum; however, we believe that we could make that work with some difficulty and we are not objecting to that proposal. I understand that the County Board of Supervisors may place on its agenda for next Tuesday consideration of acknowledgment of the revised Coliseum – USC cap.

That brings us to the State's proposed Term Sheet. I come with a question and a concern. As I read the term sheet, it starts with an annual cap of 25 major events, but takes the cap to 30 if an NFL team plays in the Coliseum. In addition, because for the purpose of the cap major events are defined as those that are scheduled by USC, it leaves open the possibility that other events planned by the Coliseum Commission (as contemplated by USC and the Coliseum) would be permitted on top of basic event cap. Assuming that the Commission wishes to schedule 8 major events a year, that could bring the total number of Coliseum major events up to 33 every year for the duration of the State – USC agreement and up further to 38 in years which the NFL is at the Coliseum. This likely would take us past the tipping point.

Frankly, I am not sure that excluding these Commission events from the cap was intended and in fact, I think the Term Sheet itself may be ambiguous about it. Fortunately there still is time to resolve any such ambiguities. I ask that any ambiguity about the cap be resolved by restating the 25 event cap in the Term Sheet to include every event at the Coliseum, no matter whether scheduled by USC, the Coliseum Commission or anyone else, subject only to the increase to 30 such events in NFL years and the limited exceptions of the Olympics and the Special Olympics.

On a related note, I believe that it also is necessary to clarify that one annual cap applies to events with over 25,000 attendance at both the Coliseum and the current Sports Arena site, which of course is likely to be converted to other

uses over the term of the agreement. Again, that is what the State obligated itself to do and probably is what everyone still intends, but a clear statement to that effect would eliminate any potential confusion.

Here is my summary of all this. Our desire and expectation is that your Board will do what it legally promised to do seven years ago: require that the Coliseum and Sports Arena together have an annual cap of 25 major events, with specified limited exceptions. If you believe you must move away from that obligation, we would prefer that your Term Sheet's event cap be imposed, but with the clarification that so-called Coliseum Commission events and Sports Arena site events fall within that cap. As we also have said before, including to the members of the Board of Supervisors, if they believe that the Coliseum – USC version of the event cap is in the best interest of the County taking into account all issues, we can – with difficulty – manage our museum within the parameters of that cap. However, I believe that any further erosion of the event cap – for instance, your Term Sheet's cap but with Coliseum Commission events or Sports Arena site events outside that cap -- pushes us past the tipping point and too many visitors will not come to Exposition Park except to patronize a Coliseum event, because they will not want to calculate the on-going daily hassle, and we have wasted all our collective efforts to improve our institutions for the benefit of the public.

Thank you for the opportunity to participate in this process and for taking into account how vital it is for all of us succeed, not just survive. Again, that is why we continue to invest so heavily in our Exposition Park museum and why we are on the verge of presenting to the public the results of the biggest and most forward-looking transformation in our century-long history.